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 GARY PIERCE
 BRENDA BURNS
 BOB BURNS
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ARIZONA CORPORATION COMMISSION

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DATE: AUGUST 23, 2013

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DOCKET NOS.: W-04015A-12-0050 AND W-04015A-12-0050

AZ CORP COMMISSION
DOCKET CONTROL

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Sarah N. Harpring. The recommendation has been filed in the form of an Order on:

GREAT PRAIRIE OASIS L.L.C. DBA SUNLAND WATER COMPANY
 (EXTENSION OF TIME DEADLINE CONTAINED
 IN DECISION NO. 73254)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

SEPTEMBER 3, 2013

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

SEPTEMBER 10, 2013 AND SEPTEMBER 11, 2013

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission
DOCKETED

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Jodi A. Jerich
 JODI JERICH
 EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET; PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET; TUCSON, ARIZONA 85701-1347

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 BOB STUMP - Chairman
4 GARY PIERCE
5 BRENDA BURNS
6 BOB BURNS
7 SUSAN BITTER SMITH

8 IN THE MATTER OF THE APPLICATION OF
9 GREAT PRAIRIE OASIS L.L.C. DBA SUNLAND
10 WATER COMPANY FOR APPROVAL OF
11 FINANCING.

DOCKET NO. W-04015A-12-0050

12 IN THE MATTER OF THE APPLICATION OF
13 GREAT PRAIRIE OASIS L.L.C. DBA SUNLAND
14 WATER COMPANY FOR A RATE INCREASE.

DOCKET NO. W-04015A-12-0051

DECISION NO. _____

ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 73254

15 Open Meeting
16 September 10 and 11, 2013
17 Phoenix, Arizona

18 **BY THE COMMISSION:**

19 Having considered the entire record herein and being fully advised in the premises, the
20 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

21 * * * * *

22 **FINDINGS OF FACT**

23 1. Great Prairie Oasis L.L.C. dba Sunland Water Company ("Sunland") is an Arizona
24 limited liability company and Class E public service corporation providing water utility service,
25 pursuant to a Certificate of Convenience and Necessity ("CC&N") granted by the Commission, to
26 approximately 80 residential customers in a rural subdivision near the junction of Interstates 8 and
27 10, southeast of the City of Casa Grande, in Pinal County.¹

28 2. In Decision No. 73254 (July 30, 2012), the Commission granted Sunland a rate
increase and authority to incur long-term debt in the form of a loan from the Water Infrastructure

¹ Decision No. 73254 (July 30, 2012).

1 Finance Authority of Arizona ("WIFA") in an amount not to exceed \$122,050.² The purpose of the
2 loan was to enable Sunland to complete the facilities necessary to blend water from its existing well
3 with water from a second well, so as to bring Sunland's water supply into compliance with the 10
4 parts per billion ("ppb") maximum contaminant level ("MCL") for arsenic. The Decision required,
5 among other things, that Sunland file with the Commission's Docket Control, by April 30, 2013, as a
6 compliance item, a copy of the Arizona Department of Environmental Quality ("ADEQ") Certificate
7 for Approval of Construction ("AOC") for the blending system facilities. ADEQ had granted
8 Sunland a Certificate of Approval to Construct ("ATC") for the blending system facilities on October
9 4, 2011.

10 3. On April 1, 2013, Sunland filed a "Request for 90 Day Extension from April 30, 2013
11 to July 31, 2013 for Filing the Compliance Item Pursuant to Decision No. 73254, Page 22, in
12 Particular Line 14: Copy of ADEQ Certificate of Approval of Construction for Blending System"
13 ("Request"). In its Request, Sunland explained that its WIFA loan had closed in December 2012;
14 that construction of the blending system facilities had commenced on March 1, 2013; that
15 construction was approximately 35-percent completed; and that Sunland needed an additional 90
16 days to obtain and file the AOC for the blending system facilities.

17 4. On July 12, 2013, the Commission's Utilities Division ("Staff") filed a Memorandum
18 stating that Staff had discussed the Request with Sunland that day and learned that Sunland had
19 experienced both general construction delays and legal delays in constructing the blending system
20 facilities. Specifically, Sunland told Staff that Sunland had had a disagreement with Kinder Morgan
21 Gas Company ("KMGC") over Sunland's right to construct water lines over intersecting KMGC
22 lines. Sunland also reported that additional time would be needed to allow ADEQ to issue an AOC
23 after construction was completed. Staff accepted the information as a verbal amendment to
24 Sunland's Request and conducted its analysis assuming a December 31, 2013, filing deadline. Staff
25 recommends that the deadline for Sunland's AOC filing be extended to December 31, 2013.

26 5. Because Sunland filed its Request prior to the due date for its AOC filing, appears to

27 ² This was Sunland's first completed rate case since receiving its CC&N in 1969. A request for rehearing of Decision
28 No. 73254 was filed by intervenor Allen Cameron, with 21 other signatures, on August 17, 2012, but was deemed denied
by the Commission under A.R.S. § 40-253(A) after September 6, 2012.

1 have made a good faith effort to complete the construction for which the AOC would be provided,
2 and has encountered unexpected delay in completing the construction, we find that it is reasonable
3 and appropriate to modify Decision No. 73254 by extending, to December 31, 2013, the deadline for
4 Sunland to file its AOC for the blending system facilities.

5 **CONCLUSIONS OF LAW**

6 1. Sunland is a public service corporation within the meaning of Article XV of the
7 Arizona Constitution and A.R.S. §§ 40-250, 40-251, and 40-256.

8 2. The Commission has jurisdiction over Sunland and the subject matter of Sunland's
9 Request.

10 3. Staff's recommendation to extend Sunland's filing deadline for the AOC for the
11 blending system facilities, established in Decision No. 73254, is reasonable and should be followed.

12 **ORDER**

13 IT IS THEREFORE ORDERED that Great Prairie Oasis L.L.C. dba Sunland Water Company
14 is hereby granted an extension of time, until December 31, 2013, to file with the Commission's
15 Docket Control, as a compliance item in this docket, the Approval of Construction issued by the
16 Arizona Department of Environmental Quality for the blending system facilities being constructed to
17 bring Sunland's water supply into compliance with the maximum contaminant level for arsenic.

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1 IT IS FURTHER ORDERED that all other requirements of Decision No. 73254 remain in
2 effect.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
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6

7 CHAIRMAN

COMMISSIONER

8
9 COMMISSIONER

COMMISSIONER

COMMISSIONER

10
11 IN WITNESS WHEREOF, I, JODI JERICH, Executive
12 Director of the Arizona Corporation Commission, have
13 hereunto set my hand and caused the official seal of the
14 Commission to be affixed at the Capitol, in the City of Phoenix,
15 this _____ day of _____ 2013.

16 JODI JERICH
EXECUTIVE DIRECTOR

17 DISSENT _____

18
19 DISSENT _____
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1 SERVICE LIST FOR:

GREAT PRAIRIE OASIS L.L.C. DBA SUNLAND
WATER COMPANY

2
3 DOCKET NOS.:

W-04015A-12-0050 and W-04015A-12-0051

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